

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.)	
d/b/a SOUTH CENTRAL BELL TELEPHONE)	CASE NO.
COMPANY'S REQUEST FOR DEVIATION FROM)	92-310
807 KAR 5:061, SECTION 10(2))	

O R D E R

On July 24, 1992, BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company ("South Central Bell") filed a letter which the Commission will treat as a motion for a deviation from 807 KAR 5:061, Section 10(2). This section states as follows:

The service objective for regular regrades shall be to fill 90 percent of applications within thirty (30) days unless applicant specifically requests a later date.

South Central Bell is not meeting this standard. It asserts that the rural nature of much of its serving area has resulted in temporary facility shortages. Also, when a customer requests new service and an individual line is not available, South Central Bell often provides two party service if a neighbor is willing to share his individual service. By this practice, South Central Bell avoids a held application but creates a regrade request.

The Commission has addressed service quality issues in the proceedings which established incentive regulation for South Central Bell and approved the continuation of incentive regulation. In the proceeding establishing incentive regulation the Commission

specifically advised and warned South Central Bell that if its quality of service standards declined during the pendency of the incentive regulation plan that the Commission would take action on such service declines.¹ Further, in the April 1991 Order of the proceeding addressing whether incentive regulation should be continued, the Commission again warned that it expected South Central Bell to devote those resources necessary to meet the required service objectives.²

The quality of service reports based on those requirements pursuant to the Commission's regulations are filed by South Central Bell on a monthly basis. The preceding months' reports reflect a decline in the service quality based on regrade percentages. The Commission hereby denies the requested deviation and requires South Central Bell to comply with the regulation by no later than October 1, 1993. South Central Bell should be allocating those resources necessary to comply with the Commission's quality of service standards. Failure to have done so indicates that South Central Bell's resources have not been appropriately allocated toward certain districts. The Commission is aware of the drain on South Central Bell's resources necessary to comply with these regulations. However, because of the incentive regulation plan wherein South Central Bell's shareholders are retaining a

¹ Case No. 10105, Investigation Into the Earnings of South Central Bell Telephone Company.

² Case No. 90-256, Phase I, A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

percentage of profits above the authorized earnings level, the Commission feels that South Central Bell should be allocating necessary resources.

The Commission, having considered the requested deviation and having been otherwise sufficiently advised, HEREBY ORDERS that:

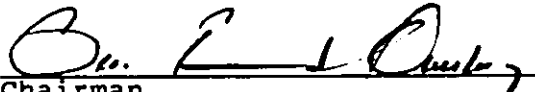
1. South Central Bell's request for a deviation from 807 KAR 5:061, Section 10(2), is denied.

2. South Central Bell shall comply with 807 KAR 5:061, Section 10(2), by meeting the service objective by no later than October 1, 1993.

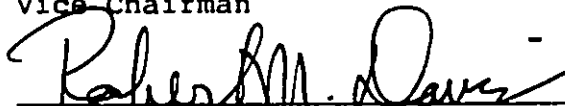
3. South Central Bell shall file status reports with the Commission each quarter beginning with information through September 30, 1992.

Done at Frankfort, Kentucky, this 29th day of September, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director